



# Montgomery County Council

*For Immediate Release*

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## Montgomery County Council Approves Emergency Services Transport Fee *'Ambulance Fee' Passes by 6-3 Vote*

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ROCKVILLE, Md., May 15, 2012—The Montgomery County Council today voted 6-3 to approve County Executive Isiah Leggett's proposal to impose an Emergency Medical Services Transport fee (ambulance fee). Once fully implemented, the fee is expected to generate \$16-18 million in annual revenue for the County, mostly paid for by the health insurance companies of people who are transported.

A similar proposal in 2010 was approved by the Council. A voter referendum followed, and the measure was rejected by a margin of 54 to 46 percent. The version passed today did include some amendments to the proposal of two years ago.

Voting in favor of Expedited Bill 17-12 today were Councilmembers Marc Elrich, Valerie Ervin, Nancy Floreen, Nancy Navarro, Craig Rice and Hans Riemer. Councilmembers Phil Andrews, Roger Berliner and George Leventhal voted against the bill.

More than 30 speakers testified on May 8 at a public hearing on Bill 17-12. Proposed after the County Executive submitted his recommended budget on March 15, Bill 17-12 would impose a reimbursement fee to recover costs for transports. For most County residents, the fees (ranging from an estimated \$300 to \$800) will be paid by their health insurers. Any remaining fees for County residents will be covered by the taxes they already pay. Non-County residents who are transported could apply for hardship waivers of the fee.

"I did not support the imposition of an ambulance fee in 2010 and I do not support it now," said Council President Berliner. "My constituents are among the most vigorous opponents of this legislation. And while there are legitimate arguments on both sides of this issue, I feel compelled to defer to the voters who spoke on this issue by defeating it at referendum in 2010. I respected the will of the voters of Montgomery County at that time and voted in opposition of this legislation out of deference to that vote."

The version passed by the Council today differs from the 2010 proposal in that it:

- Prohibits EMS personnel from inquiring about a patient's health insurance status
- Clarifies that no County resident will ever pay out of pocket for the EMS reimbursement
- Requires the County's fire chief to semi-annually report to the Council on implementation
- Adds a Patient Advocate to the Office of Consumer Protection
- Requires a public outreach and education campaign before and during implementation (direct mail, web, TV/radio, press releases, events, translation, special outreach to senior and "New American" communities)

It is estimated that after implementation mid-year in Fiscal Year 2013, the fee will generate approximately \$8.6 million in fees. It is estimated that the fee will generate \$18.4 million in FY18.

*The statements of Councilmembers on this issue:*

*Council Vice President Nancy Navarro:* "I have never been philosophically opposed to collecting a fee from insurance companies that Montgomery County residents are already paying. I had serious concerns about the bill as introduced because it provided no protections for our most vulnerable residents who lack health insurance. The amendments offered by the County Executive and adopted by the Council provide a safeguard for low-income residents and those who lack adequate coverage. With the addition of a Patient Advocate in the Office of Consumer Protection and a public information campaign, I am convinced adequate measures have been taken to strengthen this bill."

*Councilmember Phil Andrews:* "Governments need revenue, but in a democracy they need the trust of voters even more. The County Executive's request and the County Council's decision to override the voters' rejection of the 2010 Ambulance Fee law are an affront to voters, and will reduce voter trust in County government. The decision by the Council to reverse the 2010 referendum decision after just 18 months is a radical and unjustified act. What is the point of a referendum if elected officials refuse to heed the outcome – in this case overturning the first successful referendum in the history of the County."

"The amended bill (Bill 17-12) approved by the Council is the same in all essential respects to the 2010 law repealed by the voters at referendum by a margin of more than 20,000 votes. The same people—visiting family members, guests from out-of-town, co-workers who live in a neighboring county—who would have been charged a \$300 to \$800 fee ambulance fee in 2010 will be charged a \$300 to \$800 fee under this new law. The hardship waiver is the same, and projected revenues are the same. Like the 2010 bill, revenues would be used for fire and rescue costs."

"The claim that insurers will absorb the cost of being billed by the County for emergency medical transport is naive. Insurance companies aren't charities, and will raise rates or reduce coverage to protect their bottom line. Not a single insurance company executive has said otherwise."

“If voters can’t trust their elected officials to uphold their vote on a recently decided referendum, they won’t trust them on other decisions either.”

*Councilmember Marc Elrich:* “Today the County Council took an important step toward securing a significant portion of the funding needed to insure that the County can meet the growing needs of our Fire and Rescue Service in the coming years. The fiscal situation these past few years has led us to cut many vital services, including removing seven Fire and Rescue vehicles from service. These cuts may increase response times and put our citizens at risk. We do not have sufficient resources to restore those cuts this year, and changes in state funding for the County in the coming years will make that even more challenging. The decision to collect reimbursements from insurance providers is just common sense – our residents’ insurance premiums already include those costs. As we make the needed expansion of stations and service in areas with tremendous population growth in the past decade, this funding will help provide a safer, more dependable service for our residents.

“I requested amendments to the bill to ensure that these funds would be used to supplement and not supplant the base budget for Fire and Rescue in the coming years and this bill now accomplishes that goal, with funds going to apparatus, gear and training.

"Our volunteer Local Fire and Rescue Departments provide essential and generous service to County residents and we on the council will work hard to ensure that the passage of this bill will support them in their efforts, both operationally and financially."

*Councilmember Valerie Ervin:* “Our Fire and Rescue Service is one of the County's most important assets. The new proposal from the County Executive strikes the right balance between ensuring that our residents will not have to pay for ambulance service while capturing funding owed to the County from insurance companies. This will help reduce the tax burdens on our residents for years to come."

*Councilmember Craig Rice:* “After careful consideration and conversations with my Councilmanic district residents, I am comfortable with today's outcome and my vote. It is apparent to me that many voters were not clear that they, as County residents, would not be charged for this reimbursement nor would it impact insurance rates as was asserted by the EMS reimbursement's opponents.

*Councilmember Hans Riemer:* “Our County government estimates that we are leaving more than \$17 million on the table by not charging for a reimbursement. It is simply unfair to ask our taxpayers to pay for ambulances while we give insurance companies a free ride.”

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